



4/21/05

MESSAGES FROM THE HOUSE

SB 171 (Allen)

SB 174 (OLSHOVE)

SUTA (State Unemployment Tax Act) PACKAGE

Department of Labor and Economic Growth staff estimate that by prohibiting SUTA dumping, the bills would increase revenue to the Unemployment Compensation Fund between \$62 million and \$95 million annually.

- The Senate concurred with the House changes to SB 171 [RC 81: 37 yes, 1 no (Patterson)].
- The Senate concurred with the House changes to SB 174 [RC 82: 36 yes, 1 no (Patterson)].

FINAL PASSAGE

SB 83 (Cassis)

SB 83 would increase the maximum number of members on the Special Education Advisory Committee. Currently, the Committee functions as an adviser to the State Board in the field of special education. The State Board must appoint between nine and 27 members to the Committee for three-year terms. The bill would increase the maximum number of members to 33.

- *SB 83 was moved to 3rd Reading. No amendments. (4/20)*
- **SB 83 passed [RC 85: 38 yes, 0 no]. (4/21)**

SB 180 (Stamas)

SB 180 would change current public school retirement law to allow an individual, beginning October 1, 2005, to purchase service credit for service performed as a teacher at a military base before January 31, 1991.

- *SB 180 was moved to 3rd Reading. No amendments. (4/20)*
- **Stamas 1 was adopted [no RC]. Clarifying language. (4/21)**
- **SB 180 passed [RC 86: 38 yes, 0 no]. (4/21)**

HBs 4012-13 (Meyer)

HB 4318 (Meyer)

HBs 4012-13 and HB 4318 would require that notices of local (tax increment financing authority) hearings be mailed by certified mail to the treasurer, clerk, and chairperson of the board of commissioners of the county in which the authority district or business district was proposed to be located. The goal of the bills is to ensure that local units of government give sufficient and proper notice to all taxing jurisdictions of any planned expansions, thus avoiding repetition of a problem that recently occurred in Tuscola County, where county officials and officials of a village disagreed over whether there had been proper notification of the establishment of a tax increment financing authority.

HB 4012:

- *HB 4012 was moved to 3rd Reading. No amendments.* (4/19)
- *Birkholz 1 was adopted [no RC]. Notices would have to be sent by certified mail.* (4/21)
- *HB 4012 passed with IE [RC 83: 38 yes, 0 no].* (4/21)

HB 4013:

- *HB 4013 was moved to 3rd Reading. No amendments.* (4/19)
- *Birkholz 1 was adopted [no RC]. Notices would have to be sent by certified mail.* (4/21)
- *HB 4013 passed with IE [RC 84: 38 yes, 0 no].* (4/21)

HB 4318:

- *CLARKE 1 (S-1) was adopted.* (4/20)
- *HB 4318 was moved to 3rd Reading.* (4/20)
- *Birkholz 1 (1 amend) was adopted [no RC].* (4/21)
- *HB 4318 passed with IE [RC 87: 38 yes, 0 no].* (4/21)

HBs 4414-15 (Gosselin)

SUTA (State Unemployment Tax Act) PACKAGE

Federal law requires that Michigan amend the law governing its unemployment program to prohibit the practice known as "SUTA dumping", which generally refers to the transfer of employees to a different employing company for the primary purpose of obtaining a lower experience rating and thus a lower state unemployment tax rate. In order to avoid the loss of federal administrative funds for the unemployment compensation program, Michigan must comply with the federal requirements by July 1, 2005. Federal administrative funds for the unemployment insurance program are approximately \$79.1 million in 2004-05. Department of Labor and Economic Growth staff estimate that by prohibiting SUTA dumping, the bills would increase revenue to the Unemployment Compensation Fund between \$62 million and \$95 million annually.

Support: Michigan Chamber of Commerce, National Federation of Independent Business, National Association of Professional Employment Organizations, Michigan Restaurant Association

Support with amendments: Employers' Unemployment Compensation Council, Michigan Manufacturers Association, DLEG, Michigan Retailers Association.

HB 4414 would define a "transfer of business" as the transfer of any assets by an employer to a company that the employer does not already have substantially common ownership, management or control of the acquired business. When a transfer of business occurs the commission assigns the transferring employers unemployment insurance experience account, or a portion of it, to the newly acquired business effective the day of transfer. The portion of experience rating that would be transferred would be determined according to current methods.

- *HB 4414 was moved to 3rd Reading. No amendments.*

- HB 4414 passed with IE [RC 79: 36 yes, 1 no (Patterson)].

HB 4415 would allow any money collected to be deposited into the Unemployment Compensation Fund.

- HB 4415 was moved to 3rd Reading. No amendments.
- HB 4415 passed with IE [RC 80: 36 yes, 1 no (Patterson)].

THIRD READING

SB 225 (Brown)

SB 225 would establish the "Agricultural Tourism Zoning Advisory Commission" and require it to report to the Governor and the Legislature on issues concerning agricultural tourism.

- Committee 1 (S-1) was defeated.
- Van Woerkom 2 (S-2) was adopted.
- SB 225 was moved to 3rd Reading.

MESSAGES FROM THE GOVERNOR

Broadband Authority

- The Senate confirmed the appointment of Larry Leatherwood to the Broadband Authority [RC 77: 37 yes, 0 no].
- The Senate confirmed the appointment of Cynthia Zerkowski to the Broadband Authority [RC 78: 37 yes, 0 no].

Transportation Commission

- The Senate confirmed the appointment of Maureen Miller Brosnan to the Transportation Commission [RC 75: 37 yes, 0 no].
- The Senate confirmed the appointment of James Rosendall to the Transportation Commission [RC 76: 37 yes, 0 no].